

LEGISLATURE OF NEBRASKA  
NINETY-SEVENTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 329**

FINAL READING

Introduced by Wickersham, 49

Read first time January 8, 2001

Committee: Revenue

A BILL

1 FOR AN ACT relating to public projects regulation and funding; to  
2 amend sections 2-2627, 2-2635, 2-2638, 2-2641, 3-128,  
3 15-202, and 81-2,162.27, Reissue Revised Statutes of  
4 Nebraska, and sections 2-15,122, 2-15,123, 2-2634,  
5 13-519, and 66-1345, Revised Statutes Supplement, 2000;  
6 to change provisions relating to the Natural Resources  
7 Enhancement Fund, the Pesticide Administrative Cash Fund,  
8 pesticide registration, pesticide dealer licenses,  
9 pesticide applicator licenses, duties of the Department  
10 of Aeronautics, budget limitations, and the Fertilizers  
11 and Soil Conditioners Administrative Fund; to rename a  
12 fund; to change taxing powers in certain cities; to  
13 require reports by the Department of Environmental  
14 Quality and natural resources districts; to change and  
15 eliminate fees; to harmonize provisions; to repeal the  
16 original sections; to outright repeal section 77-4401,

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LB 329

1                Reissue Revised Statutes of Nebraska; and to declare an  
2                emergency.  
3    Be it enacted by the people of the State of Nebraska,

1                   Section 1.           Section 2-15,122, Revised Statutes  
2 Supplement, 2000, is amended to read:

3                   2-15,122. There is hereby created the Natural Resources  
4 ~~Enhancement~~ Water Quality Fund. The State Treasurer shall credit  
5 to the fund for the uses and purposes of section 2-15,123 such  
6 money as is specifically appropriated, ~~and~~ such funds, fees,  
7 donations, gifts, services, or devises or bequests of real or  
8 personal property received by the department from any source,  
9 federal, state, public, or private, to be used by the department  
10 for the purpose of funding programs listed in subsection (2) of  
11 section 2-15,123, and such money credited under sections 2-2627,  
12 2-2634, 2-2638, and 2-2641. The department shall allocate money  
13 from the fund pursuant to section 2-15,123. The fund shall be  
14 exempt from provisions relating to lapsing of appropriations, and  
15 the unexpended and unencumbered balance existing in the fund on  
16 June 30 each year shall be reappropriated. It is the intent of the  
17 Legislature to study and review the funding changes made by this  
18 legislative bill before January 1, 2005. Any money in the fund  
19 available for investment shall be invested by the state investment  
20 officer pursuant to the Nebraska Capital Expansion Act and the  
21 Nebraska State Funds Investment Act.

22                   Sec. 2. Section 2-15,123, Revised Statutes Supplement,  
23 2000, is amended to read:

24                   2-15,123. (1) The Natural Resources ~~Enhancement~~ Water  
25 Quality Fund shall be allocated by contractual agreement with  
26 natural resources districts for the purpose of funding programs  
27 listed in subsection (2) of this section. A natural resources  
28 district receiving an allocation shall provide a one hundred fifty

1 percent match of district funds. The initial allocations each  
2 fiscal year shall be made by the department, based on needs of  
3 individual natural resources districts relative to needs of other  
4 districts, to districts which have qualifying programs. The  
5 director shall have sole discretion to decide whether a district's  
6 program qualifies for funding pursuant to this section. The unused  
7 allocations ~~shall be credited to the Nebraska Resources Development~~  
8 ~~Fund on or after March 1 of any year~~ may be reallocated to another  
9 district if the director determines that one or more districts  
10 cannot reasonably be expected to use their full allocation for that  
11 fiscal year. The commission shall adopt and promulgate rules and  
12 regulations to administer the Natural Resources ~~Enhancement~~ Water  
13 Quality Fund.

14 (2) The fund shall be allocated to natural resources  
15 districts for programs related to water quality, including, but not  
16 limited to:

17 (a) Natural resources districts' water quality programs;

18 (b) Natural resources districts' illegal water wells  
19 decommissioning programs;

20 (c) Inspections by natural resources districts conducted  
21 pursuant to the Nebraska Chemigation Act;

22 (d) Source water protection programs undertaken by  
23 natural resources districts;

24 (e) Purchases of special equipment required by natural  
25 resources districts in management areas and control areas formed  
26 pursuant to the Nebraska Ground Water Management and Protection  
27 Act; and

28 (f) Application of soil and water conservation practices.

1           Sec. 3.    Section 2-2627, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           2-2627.    (1) Except as otherwise provided in the  
4 Pesticide Act, all money received from any source pursuant to the  
5 act shall be remitted by the department to the State Treasurer for  
6 credit to the Natural Resources Water Quality Fund.

7           (2) The Pesticide Administrative Cash Fund, which fund is  
8 hereby created. The fund shall be used by the department to aid in  
9 defraying the expenses of administering the act, except that on or  
10 before July 15, 2001, the State Treasurer shall transfer one  
11 million dollars from the Pesticide Administrative Cash Fund to the  
12 Natural Resources Water Quality Fund. Any money in the ~~fund~~  
13 Pesticide Administrative Cash Fund available for investment shall  
14 be invested by the state investment officer pursuant to the  
15 Nebraska Capital Expansion Act and the Nebraska State Funds  
16 Investment Act.

17           Sec. 4.    Section 2-2634, Revised Statutes Supplement,  
18 2000, is amended to read:

19           2-2634. (1) As a condition to registration or renewal of  
20 registration as required by sections 2-2628 to 2-2633, an applicant  
21 shall pay to the department a fee of ~~ninety~~ two hundred dollars for  
22 each pesticide to be registered that is not classified as a  
23 specialty pesticide by the department and one hundred thirty-five  
24 dollars for each pesticide to be registered that is classified as a  
25 specialty pesticide by the department, except that the fee may be  
26 increased ~~or decreased~~ by the director after a public hearing is  
27 held outlining the reason for any proposed change in the fee. In  
28 no event shall such fee exceed ~~one hundred fifty~~ two hundred ten

1 dollars for each pesticide to be registered. All fees collected  
2 shall be remitted to the State Treasurer for credit as follows:

3 (a) Thirty dollars of each such fee to the Noxious Weed  
4 Cash Fund as provided in section 2-958;

5 (b) Sixty dollars of each such fee to the Buffer Strip  
6 Incentive Fund as provided in section 2-5106; and

7 (c) The remainder of each such fee for a pesticide that  
8 is not classified as a specialty pesticide, if any, to the Natural  
9 Resources Water Quality Fund, and the remainder of each such fee  
10 for a pesticide that is classified as a specialty pesticide, if  
11 any, to the Pesticide Administrative Cash Fund.

12 (2) If a person fails to apply for renewal of  
13 registration before January 1 of any year, such person, as a  
14 condition to renewal, shall pay a late registration fee equal to  
15 twenty-five percent of the fee due and owing per month, not to  
16 exceed one hundred percent, for each product to be renewed in  
17 addition to the renewal fee.

18 Sec. 5. Section 2-2635, Reissue Revised Statutes of  
19 Nebraska, is amended to read:

20 2-2635. (1) Except as provided in subsection (2) of this  
21 section, a person shall not distribute at wholesale or retail or  
22 possess pesticides with an intent to distribute them without a  
23 pesticide dealer license for each distribution location. Any  
24 manufacturer, registrant, or distributor who has no pesticide  
25 dealer outlet licensed within this state and who distributes such  
26 pesticides directly into this state shall obtain a pesticide dealer  
27 license for his, her, or its principal out-of-state location or  
28 outlet.

1           (2) The requirements of subsection (1) of this section  
2 shall not apply to:

3           (a) A commercial applicator or noncommercial applicator  
4 licensed under sections 2-2636 to 2-2642 who uses restricted-use  
5 pesticides only as an integral part of a pesticide application  
6 service and does not distribute any unapplied pesticide;

7           (b) A federal, state, county, or municipal agency using  
8 restricted-use pesticides only for its own program;

9           (c) Persons who sell only pesticide products in  
10 containers holding fifty pounds or less by weight or one gallon or  
11 less by volume and do not sell any restricted-use pesticides or  
12 bulk pesticides; or

13           (d) Persons who sell only general-use specialty  
14 pesticides.

15           (3) A pesticide dealer may distribute restricted-use  
16 pesticides only to a certified applicator, a licensed pesticide  
17 dealer, or, under rules and regulations adopted by the department,  
18 a person who is not a certified applicator for application by a  
19 certified applicator.

20           (4) A pesticide dealer license shall expire on December  
21 31 of each year, unless it is suspended or revoked before that  
22 date. Such license shall not be transferable to another person or  
23 location and shall be prominently displayed to the public in the  
24 pesticide dealer's place of business.

25           (5) If the pesticide dealer has had a license suspended  
26 or revoked, or has otherwise had a history of violations of the  
27 Pesticide Act, the department may require an additional  
28 demonstration of dealer qualifications prior to issuance or renewal

1 of a license to such person.

2 (6) Application for an initial pesticide dealer license  
3 shall be submitted to the department ~~within thirty days after~~  
4 ~~January 1, 1994, or~~ prior to commencing business as a pesticide  
5 dealer. Application for renewal of a pesticide dealer license  
6 shall be submitted to the department by January 1 of each year.  
7 All applications shall be accompanied by an annual license fee of  
8 ~~fifty~~ twenty-five dollars. The fee may be increased ~~or decreased~~  
9 by the director after a public hearing is held outlining the reason  
10 for any proposed change in the fee. In no event shall the fee  
11 exceed one hundred dollars per license. Application shall be on a  
12 form prescribed by the department and shall include the full name  
13 of the person applying for such license. If such applicant is an  
14 individual, the application shall include the applicant's social  
15 security number. If such applicant is a partnership, limited  
16 liability company, association, corporation, or organized group of  
17 persons, the full name of each member of the firm, partnership, or  
18 limited liability company or of the principal officers of the  
19 association or corporation shall be given on the application. Such  
20 application shall further state the address of each outlet to be  
21 licensed, the principal business address of the applicant, the name  
22 of the person domiciled in this state authorized to receive and  
23 accept service of summons of legal notices of all kinds for the  
24 applicant, and any other necessary information prescribed by the  
25 department.

26 An applicant located outside this state shall file with  
27 the department a written instrument designating a resident agent  
28 for service of process in actions taken in the administration and



1 enforcement of the act. In lieu of designating a resident agent,  
2 the applicant may designate the Secretary of State as the recipient  
3 of service of process for the applicant in this state.

4 If an application for renewal of a pesticide dealer  
5 license is not filed before January 1 of the year for which the  
6 license is to be issued, an additional fee equal to twenty-five  
7 percent of the fee due and owing per month, not to exceed one  
8 hundred percent, shall be paid by the applicant before the license  
9 may be issued.

10 An application for a duplicate pesticide dealer's license  
11 shall be accompanied by a nonrefundable application fee of ten  
12 dollars.

13 All fees collected shall be remitted to the State  
14 Treasurer for credit to the Pesticide Administrative Cash Fund.

15 (7) Each licensed pesticide dealer shall be responsible  
16 for the acts of each person employed by him or her in the  
17 solicitation and distribution of pesticides and all claims and  
18 recommendations for use of pesticides. The dealer's license shall  
19 be subject to denial, suspension, modification, or revocation after  
20 a hearing for any violation of the act, whether committed by the  
21 dealer or by the dealer's officer, agent, or employee.

22 (8) The department shall require each pesticide dealer to  
23 maintain records of the dealer's purchases and distribution of all  
24 restricted-use pesticides and may require such records to be kept  
25 separate from other business records. The department may prescribe  
26 by rules and regulations the information to be included in the  
27 records. The dealer shall keep such records for a period of three  
28 years and shall provide the department access to examine such

1 records and a copy of any record on request.

2           Sec. 6.     Section 2-2638, Reissue Revised Statutes of  
3 Nebraska, is amended to read:

4           2-2638.   (1) An individual who applies restricted-use  
5 pesticides to the land of another person for hire or compensation  
6 shall apply to the department for a commercial applicator license  
7 issued for the categories and subcategories in which the pesticide  
8 application is to be made.

9           (2) Any person who applies lawn care or structural pest  
10 control pesticides to the land of another person for hire or  
11 compensation shall apply to the department for a commercial  
12 applicator license, regardless of whether such business applies any  
13 restricted-use pesticide.

14           (3) Application for an original or renewal commercial  
15 applicator license shall be on forms prescribed by the department.  
16 The application shall include information as required by the  
17 director and be accompanied by a license fee of ~~ten~~ ninety dollars.  
18 If the applicant is an individual, the application shall include  
19 the applicant's social security number. The fee may be increased  
20 ~~or decreased~~ by the director after a public hearing is held  
21 outlining the reasons for any proposed change. In no event shall  
22 the fee exceed ~~twenty-five~~ one hundred fifty dollars per license.  
23 All fees collected shall be remitted to the State Treasurer for  
24 credit to the Natural Resources Water Quality Fund.

25           (4) The department may deny a commercial applicator  
26 license if it has determined that:

27           (a) The applicant has had a license as a certified  
28 applicator issued by this state or another state revoked within the

1 last two years;

2 (b) The applicant has been unable to satisfactorily  
3 fulfill licensing requirements;

4 (c) The applicant for any other reason cannot be expected  
5 to be able to fulfill the provisions of the Pesticide Act  
6 applicable to the category for which application is made; or

7 (d) An applicant for an original commercial applicator  
8 license has not passed an examination under sections 2-2637 and  
9 2-2640.

10 (5) An individual to whom a commercial applicator license  
11 is issued shall be a certified applicator authorized to use  
12 restricted-use pesticides in the categories and subcategories in  
13 which the individual is licensed.

14 (6) As a condition to issuance of a commercial applicator  
15 license, an applicant located outside this state shall file with  
16 the department a written instrument designating a resident agent  
17 for service of process in actions taken in the administration and  
18 enforcement of the act. In lieu of designating a resident agent,  
19 the applicant may designate in writing the Secretary of State as  
20 the recipient of service of process for the applicant in this  
21 state.

22 (7) Any person who operates a business that applies  
23 pesticides to the land of another person for hire or compensation  
24 shall be responsible for the acts of each certified applicator  
25 employed by him or her in the application of a pesticide. Such  
26 person shall be subject to the same penalties and violations as the  
27 applicator.

28 Sec. 7. Section 2-2641, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2           2-2641.   (1) A person shall be deemed to be a private  
3 applicator if the person uses a restricted-use pesticide for the  
4 purpose of producing an agricultural commodity:

5           (a) On property owned or rented by the person or person's  
6 employer or under the person's general control; or

7           (b) On the property of another person if applied without  
8 compensation other than the trading of personal services between  
9 producers of agricultural commodities.

10           (2) An employee shall qualify as a private applicator  
11 under subdivision (1)(a) of this section only if he or she provides  
12 labor for the pesticide application but does not provide the  
13 necessary equipment or pesticides.

14           (3) Every person applying for a license as a private  
15 applicator shall (a) undertake a training session approved by the  
16 department or (b) pass an examination showing that the person is  
17 properly qualified to perform functions associated with pesticide  
18 application to a degree directly related to the nature of the  
19 activity and the associated responsibility. If the applicant is an  
20 individual, the application shall include the applicant's social  
21 security number.

22           (4) Application for an original or renewal private  
23 applicator license shall be accompanied by a license fee of  
24 twenty-five dollars. All fees collected shall be remitted to the  
25 State Treasurer for credit to the Natural Resources Water Quality  
26 Fund. The department shall not charge a license fee for a private  
27 applicator license.

28           Sec. 8. Section 3-128, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2           3-128. To safeguard and promote the general public  
3 interest and safety, the safety of persons receiving instruction  
4 concerning or operating, using or traveling in aircraft and of  
5 persons and property on the ground, the interest of aeronautical  
6 progress requiring that aircraft operated within this state should  
7 be airworthy, that airmen and those engaged in air instruction  
8 should be properly qualified, that airports, restricted landing  
9 areas and navigation facilities should be suitable for the purposes  
10 for which they are designed, the purposes of sections 3-101 to  
11 3-154 requiring that the department should be enabled to exercise  
12 the powers of supervision herein granted, the advantages of uniform  
13 regulations making it desirable that aircraft operated within this  
14 state should conform with respect to design, construction and  
15 airworthiness to the standards prescribed by the United States  
16 Government with respect to civil aircraft subject to its  
17 jurisdiction and that persons engaging in aeronautics within this  
18 state should have the qualifications necessary for obtaining and  
19 holding appropriate airman certificates of the United States, the  
20 department is authorized.

21           (1) To recommend airport and restricted landing area  
22 sites and to license airports, restricted landing areas or other  
23 air navigation facilities, in accordance with rules and regulations  
24 to be adopted by the department, and to annually renew such  
25 licenses. Licenses granted under this subdivision or under any  
26 prior law may be annually renewed. It shall make no charge for  
27 approval certificates of proposed property acquisition for airport  
28 or restricted landing area purposes,

1           (2) To issue appropriate certificates authorizing  
2 qualified individuals to conduct aerial pesticide application  
3 operations in this state. To insure safety, training,  
4 qualification criteria, financial responsibility requirements, and  
5 certificate renewal procedures shall be as prescribed by rules and  
6 regulations of the Department of Aeronautics, and

7           (3) To temporarily or permanently revoke any license or  
8 certificate of registration of an airman, air school, aerial  
9 pesticide applicator, or aeronautics instructor, issued by it, or  
10 to refuse to issue any such license or certificate of registration,  
11 when it shall reasonably determine that any airman, air school,  
12 aerial pesticide applicator or aeronautics instructor is not  
13 qualified, has willfully violated the provisions of sections 3-101  
14 to 3-154, the rules and regulations prescribed pursuant thereto, or  
15 any other statute of this state relating to aeronautics, or any act  
16 of Congress or any rule or regulation promulgated pursuant thereto,  
17 is addicted to the use of narcotics or other habit-forming drug or  
18 the excessive use of intoxicating liquor, has made any false  
19 statement in an application for registration of a federal license,  
20 certificate or permit, or has been guilty of other conduct, acts or  
21 practices dangerous to the public safety and the safety of those  
22 engaged in aeronautics. In order to safeguard and promote the  
23 general public interest and safety, the safety of persons using or  
24 traveling in aircraft and of persons and property on the ground,  
25 and the interest of aeronautical progress requiring that airports,  
26 restricted landing areas, and air navigation facilities be suitable  
27 for the purposes for which they are designed and to carry out the  
28 purposes of the State Aeronautics Department Act, the department

1 may: Recommend airport and restricted landing area sites; license  
2 airports, restricted landing areas, or other air navigation  
3 facilities; and provide for the renewal and revocation of such  
4 licenses in accordance with rules and regulations adopted and  
5 promulgated by the department.

6           Sec. 9. Section 13-519, Revised Statutes Supplement,  
7 2000, is amended to read:

8           13-519. (1) For fiscal years beginning on or after July  
9 1, 1996, and before July 1, 1997, no governmental unit shall adopt  
10 a budget containing a total of budgeted restricted funds more than  
11 the last prior year's total of budgeted restricted funds plus  
12 population growth plus two percent expressed in dollars. For  
13 cities of the first and second class and villages, restricted funds  
14 shall be reduced to take into account the fourteen-month fiscal  
15 year for 1995-96. For fiscal years beginning on or after July 1,  
16 1997, and before July 1, 1998, no governmental unit shall adopt a  
17 budget containing a total of budgeted restricted funds more than  
18 the last prior year's total of budgeted restricted funds plus  
19 population growth expressed in dollars. For all fiscal years  
20 beginning on or after July 1, 1998, no governmental unit shall  
21 adopt a budget containing a total of budgeted restricted funds more  
22 than the last prior year's total of budgeted restricted funds plus  
23 allowable growth plus the basic allowable growth percentage of the  
24 base limitation established under section 77-3446. For all fiscal  
25 years beginning on or after July 1, 1998, and before July 1, 1999,  
26 the last prior year's total of restricted funds shall be the last  
27 prior year's total of restricted funds not excluding restricted  
28 funds budgeted for acquisition or replacement of tangible personal

1 property with a useful life of five years or more in the last prior  
2 year or the year before the last prior year, whichever excluded the  
3 most, plus restricted funds budgeted to pay for lease-purchase  
4 contracts approved on or after July 1, 1997, and before July 1,  
5 1998, to the extent the lease payments are not budgeted restricted  
6 funds for fiscal year 1997-98. For all fiscal years beginning on  
7 or after July 1, 2001, and before July 1, 2002, the last prior  
8 year's total of restricted funds shall be the last prior year's  
9 total of restricted funds plus any amount budgeted to be received  
10 from the Natural Resources Enhancement Fund in fiscal year  
11 1999-2000. If a governmental unit transfers the financial  
12 responsibility of providing a service financed in whole or in part  
13 with restricted funds to another governmental unit or the state,  
14 the amount of restricted funds associated with providing the  
15 service shall be subtracted from the last prior year's total of  
16 budgeted restricted funds for the previous provider and may be  
17 added to the last prior year's total of restricted funds for the  
18 new provider. For governmental units that have consolidated, the  
19 calculations made under this section for consolidating units shall  
20 be made based on the combined total of restricted funds,  
21 population, or full-time equivalent students of each governmental  
22 unit.

23 (2) In addition to the increase allowed in subsection (1)  
24 of this section, for fiscal years beginning on or after July 1,  
25 1998, and before July 1, 1999, a governmental unit may increase its  
26 budget of restricted funds no more than four percent to create or  
27 increase an existing qualified sinking fund or funds upon the  
28 affirmative vote of at least seventy-five percent of the governing



1 body. Any unused authority granted in this subsection may not be  
2 carried forward under section 13-521.

3 (3) A governmental unit may exceed the limit provided in  
4 subsection (1) of this section for a fiscal year by up to an  
5 additional one percent upon the affirmative vote of at least  
6 seventy-five percent of the governing body.

7 (4) A governmental unit may exceed the applicable  
8 allowable growth percentage otherwise prescribed in this section by  
9 an amount approved by a majority of legal voters voting on the  
10 issue at a special election called for such purpose upon the  
11 recommendation of the governing body or upon the receipt by the  
12 county clerk or election commissioner of a petition requesting an  
13 election signed by at least five percent of the legal voters of the  
14 governmental unit. The recommendation of the governing body or the  
15 petition of the legal voters shall include the amount and  
16 percentage by which the governing body would increase its budgeted  
17 restricted funds for the ensuing year over and above the current  
18 year's budgeted restricted funds. The county clerk or election  
19 commissioner shall call for a special election on the issue within  
20 fifteen days after the receipt of such governing body  
21 recommendation or legal voter petition. The election shall be held  
22 pursuant to the Election Act, and all costs shall be paid by the  
23 governing body. The issue may be approved on the same question as  
24 a vote to exceed the levy limits provided in section 77-3444.

25 (5) In lieu of the election procedures in subsection (4)  
26 of this section, any governmental unit may exceed the allowable  
27 growth percentage otherwise prescribed in this section by an amount  
28 approved by a majority of legal voters voting at a meeting of the

1 residents of the governmental unit, called after notice is  
2 published in a newspaper of general circulation in the governmental  
3 unit at least twenty days prior to the meeting. At least ten  
4 percent of the registered voters residing in the governmental unit  
5 shall constitute a quorum for purposes of taking action to exceed  
6 the allowable growth percentage. If a majority of the registered  
7 voters present at the meeting vote in favor of exceeding the  
8 allowable growth percentage, a copy of the record of that action  
9 shall be forwarded to the Auditor of Public Accounts along with the  
10 budget documents. The issue to exceed the allowable growth  
11 percentage may be approved at the same meeting as a vote to exceed  
12 the limits or final levy allocation provided in section 77-3444.

13 Sec. 10. Section 15-202, Reissue Revised Statutes of  
14 Nebraska, is amended to read:

15 15-202. A ~~primary~~ city of the primary class shall have  
16 power to levy taxes for general revenue purposes on all property  
17 within the corporate limits of ~~said~~ the city taxable according to  
18 the laws of Nebraska and to levy an occupation tax on public  
19 service property or corporations in such amounts as may be proper  
20 and necessary, in the judgment of the mayor and council, for  
21 purposes of revenue. All such taxes shall be uniform with respect  
22 to the class upon which they are imposed. The occupation tax may  
23 be based upon a certain percentage of the gross receipts of such  
24 public service corporation or upon such other basis as may be  
25 determined upon by the mayor and council.

26 Sec. 11. The Department of Environmental Quality shall  
27 prepare a report outlining the extent of ground water quality  
28 monitoring conducted by natural resources districts during the

1 preceding calendar year. The department shall analyze the data  
2 collected for the purpose of determining whether or not ground  
3 water quality is degrading or improving and shall present the  
4 results to the Natural Resources Committee of the Legislature  
5 beginning December 1, 2001, and each year thereafter. The  
6 districts shall submit in a timely manner all ground water quality  
7 monitoring data collected to the department or its designee. The  
8 department shall use the data submitted by the districts in  
9 conjunction with all other readily available and compatible data  
10 for the purposes of the annual ground water quality trend analysis.

11       Sec. 12. Each natural resources district shall submit an  
12 annual report to the Natural Resources Committee of the Legislature  
13 detailing all water quality programs conducted by the district in  
14 the preceding calendar year. The report shall include the funds  
15 received and expended for water quality projects and a listing of  
16 any unfunded projects. The first report shall be submitted on or  
17 before December 1, 2001, and then each December 1 thereafter.

18       Sec. 13. Section 66-1345, Revised Statutes Supplement,  
19 2000, is amended to read:

20       66-1345. (1) There is hereby created the Ethanol  
21 Production Incentive Cash Fund which shall be used by the board to  
22 pay the credits created in section 66-1344 to the extent provided  
23 in this section. Any money in the fund available for investment  
24 shall be invested by the state investment officer pursuant to the  
25 Nebraska Capital Expansion Act and the Nebraska State Funds  
26 Investment Act. The State Treasurer shall transfer to the Ethanol  
27 Production Incentive Cash Fund such money as shall be (a)  
28 appropriated to the Ethanol Production Incentive Cash Fund by the

1 Legislature, (b) given as gifts, bequests, grants, or other  
2 contributions to the Ethanol Production Incentive Cash Fund from  
3 public or private sources, (c) made available due to failure to  
4 fulfill conditional requirements pursuant to investment agreements  
5 entered into prior to April 30, 1992, (d) received as return on  
6 investment of the Ethanol Authority and Development Cash Fund, (e)  
7 ~~credited to the Ethanol Production Incentive Cash Fund from the~~  
8 ~~fertilizer fee pursuant to section 77-4401, (f) credited to the~~  
9 Ethanol Production Incentive Cash Fund from the excise taxes  
10 imposed by section 66-1345.01, and ~~(g)~~ (f) credited to the Ethanol  
11 Production Incentive Cash Fund pursuant to section 66-1345.04.

12 (2) The Department of Revenue shall, at the end of each  
13 calendar month, notify the State Treasurer of the amount of motor  
14 fuel tax that was not collected in the preceding calendar month due  
15 to the credits provided in section 66-1344. The State Treasurer  
16 shall transfer from the Ethanol Production Incentive Cash Fund to  
17 the Highway Trust Fund an amount equal to such credits less the  
18 following amounts:

19 (a) For 1993, 1994, and 1995, the amount generated during  
20 the calendar quarter by a one-cent tax on motor fuel pursuant to  
21 sections 66-489, 66-668, and 66-6,107;

22 (b) For 1996, the amount generated during the calendar  
23 quarter by a three-quarters-cent tax on motor fuel pursuant to such  
24 sections;

25 (c) For 1997, the amount generated during the calendar  
26 quarter by a one-half-cent tax on motor fuel pursuant to such  
27 sections; and

28 (d) For 1998 through 2004, no reduction.

1           The amounts shall be transferred through June 30, 2004.  
2   For 1993 through 1997, if the amount generated pursuant to  
3   subdivisions (a), (b), and (c) of this subsection and the amount  
4   transferred pursuant to subsection (1) of this section are not  
5   sufficient to fund the credits provided in section 66-1344, then  
6   the credits shall be funded through the Ethanol Production  
7   Incentive Cash Fund but shall not be funded through either the  
8   Highway Cash Fund or the Highway Trust Fund. For 1998 through  
9   2004, the credits provided in such section shall be funded through  
10   the Ethanol Production Incentive Cash Fund but shall not be funded  
11   through either the Highway Cash Fund or the Highway Trust Fund.

12           (3) The State Treasurer shall transfer from the Ethanol  
13   Production Incentive Cash Fund to the Management Services Expense  
14   Revolving Fund the amount reported under subsection (4) of section  
15   66-1345.02 for each calendar month of the fiscal year as provided  
16   in such subsection.

17           (4) The board shall monitor all receipts to and  
18   reimbursements from the Ethanol Production Incentive Cash Fund and  
19   notify the Department of Revenue prior to the beginning of the  
20   fiscal year in which the board projects that there will be  
21   insufficient funds available within the fund to satisfy all valid  
22   ethanol production credit claims submitted pursuant to section  
23   66-1344.

24           (5) On June 30, 2004, the State Treasurer shall transfer  
25   one-half of the unexpended and unobligated funds from the Ethanol  
26   Production Incentive Cash Fund to the Nebraska Corn Development,  
27   Utilization, and Marketing Fund and Grain Sorghum Development,  
28   Utilization, and Marketing Fund in the same proportion as funds

1 were collected pursuant to section 66-1345.01 from corn and grain  
2 sorghum. The Department of Agriculture shall assist the State  
3 Treasurer in determining the amounts to be transferred to the  
4 funds. The remaining one-half of the unexpended and unobligated  
5 funds shall be transferred to the General Fund.

6 Sec. 14. Section 81-2,162.27, Reissue Revised Statutes  
7 of Nebraska, is amended to read:

8 81-2,162.27. (1) All money received under the Nebraska  
9 Commercial Fertilizer and Soil Conditioner Act shall be remitted to  
10 the State Treasurer for credit to the Fertilizers and Soil  
11 Conditioners Administrative Fund, which fund is hereby created.  
12 All money so received shall be appropriated to the uses of the  
13 department for defraying the expenses of administering the act.

14 (2) The Legislature finds that excess funds have  
15 accumulated in the Fertilizers and Soil Conditioners Administrative  
16 Fund, and such funds have accumulated from tonnage tax fees paid by  
17 retail fertilizer and soil conditioner agricultural businesses.  
18 For FY2001-02, the Department of Agriculture shall contract with  
19 the University of Nebraska Institute of Agriculture and Natural  
20 Resources, Department of Agronomy and Horticulture, for agronomic  
21 crop production research on precise nitrogen management in  
22 center-pivot irrigated corn systems, through which the department  
23 shall provide no more than three hundred thousand dollars for such  
24 research. It is the intent of the Legislature that any such  
25 contract shall contain a provision that no state funds shall be  
26 used for administrative purposes by the university in conjunction  
27 with the project that is the subject matter of the contract. This  
28 funding shall be provided no later than October 1, 2001.

1           (3) Any unexpended balance in ~~such fund~~ the Fertilizers  
2 and Soil Conditioners Administrative Fund at the close of any  
3 biennium shall, when reappropriated, be available for the uses and  
4 purposes of the fund for the succeeding biennium. Any money in the  
5 fund available for investment shall be invested by the state  
6 investment officer pursuant to the Nebraska Capital Expansion Act  
7 and the Nebraska State Funds Investment Act.

8           Sec. 15. Original sections 2-2627, 2-2635, 2-2638,  
9 2-2641, 3-128, 15-202, and 81-2,162.27, Reissue Revised Statutes of  
10 Nebraska, and sections 2-15,122, 2-15,123, 2-2634, 13-519, and  
11 66-1345, Revised Statutes Supplement, 2000, are repealed.

12           Sec. 16. The following section is outright repealed:  
13 Section 77-4401, Reissue Revised Statutes of Nebraska.

14           Sec. 17. Since an emergency exists, this act takes  
15 effect when passed and approved according to law.